economic opportunity programs. The initial challenge far outstripped any previous legislation in the fields of welfare, health or education.

And the OEO had to start from scratch. At the outset, there it was, a brand new agency, not even of Cabinet status, without an office, a staff, or even a system of traditional state and local institutions through which to operate. It was at work in an area where there was not even much formally known about the problem it was to attack.

In the succeeding two-and-a-half years, the OEO not only met the initial demand, but launched a broad range of additional programs. It conceived of and operated such pioneering programs as Head Start, legal services for the poor, neighborhood health centers, Upward Bound, Foster Grandparents and Medicare Alert.

It was in a position to make its first multiple grants within two months after funding, which must surely have been a record for a program of such breadth and complexity.

Within two years, OEO programs were in operation in more than 3,000 of the 3,132 counties of the United States. To date, it has made more than 10,000 community action grants to the 1100 Community Action agencies established in areas including more than 70 percent of the nation's poor. It is estimated that Head Start alone has reached 1.3 million young children; the Neighborhood Youth Corps, 900,000 young men and women. Neighborhood Centers have brought needed services to nearly 3 million poor. The Job Corps has provided vocational training for 60,000 of our most impoverished young men and women in 113 residential Job Corps centers. The Work Experience program has assisted nearly 150,000 adults, most of whom were on public assistance, by increasing their opportunities for future employment. Nearly 3,000 VISTA volunteers are in service in 48 States and the District of Columbia. 33,700 rural loans totaling more than $55 million have been made to the isolated rural poor. 224 institutions of higher learning have supported Upward Bound programs involving 22,400 students.

And all of this has been accomplished with one of the lowest administrative costs of any Government agency now operating—about 3 percent—and with an administrative staff for both the headquarters in Washington and the seven regional offices of no more than 2600 people.

The staff of OEO is approximately one-half that of the Small Business Administration. It operates with about the same number of people the Air Force needs to keep one single squadron of B–52's in the air. It is a staff 1/50 the size of NEW.

Viewed objectively, no substantial apologies need be offered for results obtained within existing appropriations. The OEO has launched important programs with a speed unmatched by any Federal agency since the New Deal. What is needed is more, not less.

Poverty is a cancer in our midst that costs $10 billion a year in cold cash in welfare expenses alone, plus $100 billion a year in lost opportunities, lost income and lost taxes.

Under the impact of poverty in the ghettos, the tax-base of the cities is eroding and their fiscal management becomes increasingly difficult. According to estimates of the HHFA, the average cost per citizen for municipal services in a blighted area is $7 but the area pays back only $4.25; whereas in a good area, the average cost of essential services is $3.60 per citizen and the area pays back $11.30. Between 1953 and 1963, given the fiscal drain of low income areas and the increased demand for public services, State and local expenditures increased from $27.9 billion to $64.8 billion, an increase of 132.2 percent. At the same time, State and local government debt went from $33.8 billion to $87.5 billion and the fiscal pressures show no signs of easing.

Any overall approach to the war on poverty must also include a soundly conceived and administered welfare system. The orthodox welfare system is sorely in need of overhauling. The humiliation and stigmatization engendered by standard welfare procedures are bad enough. What is worse is that the additional system of welfare payments condemns generation after generation to an unbroken cycle of poverty.

Despite the 1962 amendments to the Social Security Act, less than half the States have enacted enabling legislation in conformity with them; the level of welfare payments from State to State varies radically; and most States fail to pay even the full amount specified by their own legislative mandates. As a result, in most States, any initiative in earnings is still taxed at a rate of 100